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Geokinetics contracts its shale oil production to refinery

Geokinetics Inc. of Salt Lake City, which claims it is the only commercial producer of shale oil, has reached agreement to sell all production from its two new commercial retorts to Crysen Refiners of North Salt Lake.

Crysen, which has purchased Geokinetics shale oil in the past, will pay \$25 per barrel. Crysen will mix the shale oil with fuel oil and sell the blended product to large industrial customers.

Production from Geokinetics' two newest in situ retorts in Uintah County will be between 80,000 and 90,000 barrels in a year.

The two new units bring to 28 the number of test retorts developed by Geokinetics. They are each approximately 370 feet by 320 feet in

the relatively shallow 30-foot-thick Utah shale deposits.

The Geokinetic in situ process eliminates costly mining and above ground retorting. The method fractures the shale deposits through a blast pattern which creates a bell-shaped retort in the shale itself. The retort is then ignited and burned in a horizontal pattern, releasing the oil, which then flows to one end where it can be pumped to the surface.

A commercial-size retort would be expected to produce 143 barrels of shale oil per day, or 52,000 barrels annually over its one-year life.

In February, Geokinetics received a \$1.35 million award from the U.S. Department of

Energy to complete an eight-year federal assistance program to perfect the in situ extraction process.

Since 1976, the company has produced 90,000 barrels of syncrude with a total government investment of \$14.8 million. Jim Lekas, Geokinetics vice president, proudly boasts that the company is the only one in the nation producing shale oil.

The company received tentative approval in December from the U.S. Synthetic Fuels Corporation for up to \$45 million in loan guarantees and price supports for its 1,000 barrel-per-day Seep Ridge commercial project. The company must come up with \$12 million in matching funds to get the project under way.

U.S. Borax may delay Quartz Hill construction due to market

Development of its Quartz Hill molybdenum deposit in southeastern Alaska may be held up for awhile, according to indications from U.S. Borax.

Dr. Carl Randolph, vice chairman and president, in late March told Ketchikan officials that U.S. Borax is "fully committed to the development of Quartz Hill but that the state of the world molybdenum market may cause a delay in the construction phase of the project."

Construction had been scheduled to start

late this year.

The company is still attempting to get all necessary permits for the project. The draft environmental impact statement from the U.S. Forest Service is expected in June.

U.S. Borax said bulk sample testing of Quartz Hill ore had been completed at the Hanna Research Laboratory in Hibbing, Minnesota.

"Preliminary reports confirm that the character of the molybdenum ore is as previously predicted," the company said.

"The tests will help optimize the design of various components of the treatment plant and define the character of the tailings," the report added.

A scoping session was held in late March with the Washington Department of Ecology and the U.S. Corps of Engineers on a combined state-federal EIS for the Grays Harbor refinery site.

The company plans a shipping terminal and leaching and roasting facility there as part of the Quartz Hill project.

Sierra Club files "bogus" claims to stop Alaskan mining

From Alaska Resource Review

Miners call it "claim jumping."

Our attorney says we must refer to it as "top-filing."

Whatever it is called, the action of Sierra Club attorney Geoffrey Parker to try to obtain possession of mining claims in the Chugach National Forest by this method is, in our opinion, deplorable.

There are many legitimate environmental issues which the Sierra Club could and should be addressing. Instead, the group chooses to harass individuals who have chosen the back-breaking lifestyle of placer mining, where the rewards are solitude, scenery and, hopefully, a pouch of gold.

This weekend I visited the Crescent Creek mine camp with Rob Rivett, the Pacific Legal Foundation attorney who is representing our side of the battle to protect some miners from losing their claims as a result of Sierra Club's action.

Bob Holbrook, Judy and Clyde Holbrook and Ed and Jeannie Ellis are the kind of folks you'd like to have living next door. They're decent, honorable people. Mining is in their blood. They love this land and Ed Ellis beams with pride at the success of his tree farm where he's experimenting with species from

several states to be used in their claims' reclamation.

Bob and Clyde Holbrook have personally designed and constructed the ingenious equipment for processing the ore; their sense of accomplishment could not be hidden as they explained to us how it worked.

It has taken some time, perseverance and large sums of money to design and build the equipment for working their claims.

The slick, East Coast-attorney-types such as Geoffrey Parker are philosophically opposed to mining in Alaska. This case isn't about assuring that the mining is done in an environmentally sensitive way — Ellis and the Holbrooks know how to do that; it evolved because the Sierra Club doesn't want mining at all. It will go to any lengths to achieve its goals, regardless of how it will affect the lives of the people the group hopes to put out of business.

The first thing we heard at the lodge where we met the claimholders was that Geoffrey Parker had stopped in. He should have known he was in unfriendly territory, as more than a few miners in the Copper Landing area frequent the lodge. But he must have had some motive. Maybe it was a good thing the Ellises and Holbrooks weren't around,

because they wouldn't have taken kindly to what Parker had to say.

Parker, described as arrogant but intelligent, proceeded to brag about how he was going to shut down the Crescent Creek operation.

Since he, personally, was the topfiler of the gold claims in question, he was asked about his plans for mining them. Parker apparently indicated he had no intention of going into the mining business — his goal was to preserve the area for recreationists.

Mining law makes it illegal to file mining claims for any other reason but mining.

Regardless of who wins this legal battle — made possible by a technicality, an administrative procedure known as the "tract book rule," one can't help but feel great sympathy for the folks who suffered through it, people who simply wanted to live their lives quietly, doing the painstaking work they know best, backwoods mining, mom and pop style.

And one can't help but wonder if the many Sierra Club members really know how their dues are being spent. Do the members really care about the right of individuals, and do they honestly condone such actions by staking another man's claim for any reason?